

NEW APPLICATION



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AZ CORP COMMISSION
DOCUMENT CONTROL

September 17, 2001

Voyager Water Company
Application for Extension of CC&N

W-2104A-01-0742

To Whom It May Concern:

Attached is an application by Voyager Water Company for an Extension of its Certificate of Convenience and Necessity. The purpose of this application is to expand the area currently served within the CC&N to include property, which is more particularly described in Exhibit C of the Application for an Extension

Sincerely,

Douglas G. Lemke

Docket Control
Arizona Corporation Commission
400 West Congress
Tucson, Arizona 85701

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DGL/mw

Enclosures

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SEP 17 2001

ARIZONA CORP. COM.
TUCSON, AZ

ARIZONA CORPORATION COMMISSION

APPLICATION FOR AN EXTENSION OF CERTIFICATE OF CONVENIENCE AND NECESSITY

WATER AND/OR SEWER

- A. The name, address, and telephone number of the Applicant is:

Voyager Water Company

8701 South Kolb Road, Tucson, Arizona 85706

(520) 574-5000

- B. The name, address and telephone number of management contact is:

Norbert (Ike) Isaacson

8701 South Kolb Road, Tucson, Arizona 85706

(520) 574-5000

- C. List the name, address and telephone number of the operator certified by the Arizona Department of Environmental Quality:

Karen Hartwell, YL Technology

HC #70, Box 3601, Sahuarita, Arizona 85629

(520) 625-1671

- D. List the name, address and telephone number of the attorney for the Applicant:

Douglas G. Lemke, Esq.

Brown and Bain, P.A., One South Church, 19th Floor, Tucson, Arizona 85701

(520) 798-7900

- E. Attach the following documents that apply to you:

1. Certificate of Good Standing (if corporation) **Attached as Exhibit A (to be late-filed)**
 2. Corporate Resolution Authorizing this application (if required by the corporation's Articles of Incorporation) **Attached as Exhibit B**
- F. Attach a legal description of the area requested by either **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and docket numbers will not be accepted. **Attached as Exhibit C**
- G. Attach a detailed map using the form provided as attachment B. Shade and outline the area requested. Also indicate the present certificated area by using different colors. **Attached as Exhibit D**
- H. Attach a current balance sheet and profit and loss statement. **Attached as Exhibit E**
- I. Provide the following information:

1. Indicate the estimated number of customers, by class, to be served in the new area in each of the next five years:

Residential:

First Year 230 Second Year 460 Third Year 690 Fourth Year 920

Fifth Year 1150

Commercial:

First Year 1 Second Year 1 Third Year 1 Fourth Year 1

Fifth Year 1

Industrial: N/A

First Year _____ Second Year _____ Third Year _____ Fourth Year _____

Fifth Year _____

Irrigation: N/A

First Year _____ Second Year _____ Third Year _____ Fourth Year _____

Fifth Year _____

Other: N/A

First Year _____ Second Year _____ Third Year _____ Fourth Year _____

Fifth Year _____

2. **(WATER ONLY)** Indicate the projected annual water consumption, in gallons, for each of the customer classes in the new area for each of the next five years:

Residential:

First Year 24,933,150 Second Year 49,866,300 Third Year 74,799,450

Fourth Year 99,732,600 Fifth Year 124,665,750

Commercial:

First Year 1,752,000 Second Year 3,504,000 Third Year 5,256,000

Fourth Year 7,008,000 Fifth Year 8,760,000

Industrial: N/A

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Irrigation: N/A

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

3. Indicate the total estimated annual operating revenue from the new area for each of the next five years:

First Year \$107,730.30 Second Year \$191,460.60 Third Year \$275,190.90

Fourth Year \$358,921.20 Fifth Year \$442,651.50

- **Complete Attachment "D" (Water Use Data Sheet) for the past 13 months Attached as Exhibit F**

4. Indicate the total estimated annual operating expenses attributable to the new area for each of the next five years:

First Year \$92,210.96 Second Year \$143,732.33 Third Year \$216,583.69

Fourth Year \$289,435.05 Fifth Year \$340,956.41

- J. Total estimated cost to construct utility facilities to serve customers in the requested area:

\$3,950,000

- K. Explain method of financing utility facilities (see paragraph 8 of instructions)

Line extension agreement with developer and equity financing

- L. Estimated starting and completion date of construction of utility facilities:

Starting date 06/02 Completion date 06/03

- M. Attach the following permits:

1. Franchise from either the City or County for the area requested. **All Applicant's new water infrastructure and facilities will be placed exclusively within private rights-of-way or public rights-of-way covered by the existing Pima County franchise; therefore, no additional franchises from Pima County or the City of Tucson are necessary for this Application.**
2. Arizona Department of Environmental Quality or designee's approval to construct facilities. **To be provided at a later date as part of Line Extension Agreement with developer.**
3. Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.) N/A
4. U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.) N/A
5. **(WATER ONLY)** If the area requested is within an Active Management Area, attach a copy of either the utility's Designation of an Assured Water Supply or the developer's Certificate of 100 Year Assured Water Supply issued by the Arizona Department of Water Resources. **Developer will provide Certificate of 100 Year Assured Water Supply issued by Arizona Department of Water Resources when plat is complete.**

- If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources if applied for by the developer.
- If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detailed information to prove that adequate water exists to provide water to the area requested.


(Signature of Authorized Representative)

Norbert Isaacson
(Print or Type Name Here)

President, Voyager Water Company
(Title)

SUBSCRIBED AND SWORN to before me this 13 day of Sept, 2001.


NOTARY PUBLIC

My Commission Expires _____

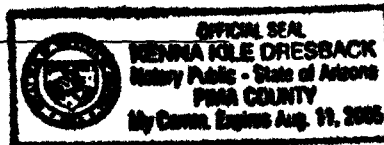


Exhibit A

EXHIBIT A
CERTIFICATE OF GOOD STANDING
TO BE FILED AT A LATER DATE

Exhibit B

**RESOLUTION OF THE
BOARD OF DIRECTORS
OF
VOYAGER WATER COMPANY**

WHEREAS, a Special Meeting of the Board of Directors of VOYAGER WATER COMPANY, an Arizona corporation, notice of which was given to, or waived by, all of the Directors of the corporation, in accordance with the By-Laws of the corporation, was held on 9-13, 2001; and

WHEREAS, at that Meeting the Board of Directors approved proceeding with the proposed Application for Extension of the Certificate of Convenience and Necessity;

NOW THEREFORE:

BE IT RESOLVED, that the officers of Voyager Water Company, an Arizona corporation, are hereby duly authorized by the Board of Directors to submit on behalf of said corporation, an Application for Extension of the Certificate of Convenience and Necessity to be submitted to the Arizona Corporation Commission, State of Arizona, and, in conjunction therewith, to execute any and all other necessary documents to effectuate the Application, which said application is for the purpose of permitting Voyager Water Company to extend its water distribution system for domestic, commercial, industrial and municipal use within the property described in Exhibit "A" attached to said Application, and the Board of Directors specifically approves and ratifies all actions by such officers in connection with said matter.

DATED this 13 day of 9, 2001.



Blanche Isaacson
Secretary

EXHIBIT A
LEGAL DESCRIPTION

Parcel 1

The East 3360.00 feet of the North 830.00 feet of Section 32, Township 15 South, Range 15 East, of the Gila and Salt River Meridian, Pima County, Arizona.

Parcel 2

A parcel of land located in Section 32, Township 15 South, Range 15 East, Gila and Salt River Meridian, Pima County, Arizona, more particularly described as follows:

Beginning at the Northwest Corner of Section 32,

Thence South $89^{\circ} 51' 27''$ East, along the North line of said Section 32, a distance of 1923.63 feet,

Thence South $00^{\circ} 01' 00''$ West, a distance of 830.00 feet,

Thence South $89^{\circ} 51' 27''$ East, a distance of 3360.00 feet to the East line of said Section 32,

Thence South $00^{\circ} 01' 00''$ West, along the East line a distance of 1803.47 feet, to the East Quarter Corner,

Thence continuing South $00^{\circ} 01' 00''$ West along the East line a distance of 593.05 Feet,

Thence North $89^{\circ} 51' 27''$ West, a distance of 630.00 feet,

Thence North $63^{\circ} 16' 58''$ West, a distance of 541.24 feet,

Thence North $66^{\circ} 16' 07''$ West, a distance of 501.00 feet,

Thence North $84^{\circ} 54' 10''$ West, a distance of 513.99 feet,

Thence North $77^{\circ} 32' 53''$ West, a distance of 559.62 feet,

Thence North $62^{\circ} 55' 35''$ West, a distance of 516.57 feet,

Thence North $48^{\circ} 05' 05''$ West, a distance of 467.74 feet,

Thence North $57^{\circ} 39' 22''$ West, a distance of 546.31 feet,

Thence North $63^{\circ} 01' 41''$ West, a distance of 471.41 feet,

Thence North $71^{\circ} 43' 26''$ West, a distance of 727.29 feet,

Thence North $89^{\circ} 58' 16''$ West, a distance of 272.53 feet, to the West line of said Section 32,

Thence North $00^{\circ} 01' 44''$ East, along the West line of said Section 32, a distance of 1344.92 feet, to the point of beginning.

Exhibit C

EXHIBIT A
LEGAL DESCRIPTION

Parcel 1

The East 3360.00 feet of the North 830.00 feet of Section 32, Township 15 South, Range 15 East, of the Gila and Salt River Meridian, Pima County, Arizona.

Parcel 2

A parcel of land located in Section 32, Township 15 South, Range 15 East, Gila and Salt River Meridian, Pima County, Arizona, more particularly described as follows:

Beginning at the Northwest Corner of Section 32,

Thence South 89° 51' 27" East, along the North line of said Section 32, a distance of 1923.63 feet,

Thence South 00° 01' 00" West, a distance of 830.00 feet,

Thence South 89° 51' 27" East, a distance of 3360.00 feet to the East line of said Section 32,

Thence South 00° 01' 00" West, along the East line a distance of 1803.47 feet, to the East Quarter Corner,

Thence continuing South 00° 01' 00" West along the East line a distance of 593.05 Feet,

Thence North 89° 51' 27" West, a distance of 630.00 feet,

Thence North 63° 16' 58" West, a distance of 541.24 feet,

Thence North 66° 16' 07" West, a distance of 501.00 feet,

Thence North 84° 54' 10" West, a distance of 513.99 feet,

Thence North 77° 32' 53" West, a distance of 559.62 feet,

Thence North 62° 55' 35" West, a distance of 516.57 feet,

Thence North 48° 05' 05" West, a distance of 467.74 feet,

Thence North 57° 39' 22" West, a distance of 546.31 feet,

Thence North 63° 01' 41" West, a distance of 471.41 feet,

Thence North 71° 43' 26" West, a distance of 727.29 feet,

Thence North $89^{\circ} 58' 16''$ West, a distance of 272.53 feet, to the West line of said Section 32,

Thence North $00^{\circ} 01' 44''$ East, along the West line of said Section 32, a distance of 1344.92 feet, to the point of beginning.

Exhibit D

ATTACHMENT "B"

PIMA	32	15 SOUTH	15 EAST
COUNTY	SECTION	TOWNSHIP	RANGE

6	5	4	3	2	1
7	8	9	1 0	1 1	1 2
1 8	1 7	1 6	1 5	1 4	1 3
1 9	2 0	2 1	2 2	2 3	2 4
3 0	2 9	2 8	2 7	2 6	2 5
3 1	3 2	3 3	3 4	3 5	3 6

Type or Print Description Here:



Current Certificated Area



Proposed Extension to Certificated Area

Exhibit E

VOYAGER WATER COMPANY
BALANCE SHEET
 July 31, 2001

ASSETS

CURRENT ASSETS

CASH - CHECKING	16,608.69	
CASH - SAVINGS	45,808.27	
ACCOUNTS RECEIVABLE	23,828.48	
PREPAID EXPENSES	344.70	
TOTAL CURRENT ASSETS		86,591.14

PROPERTY, PLANT & EQUIPMENT

LINE EXT TRAIL WEST	8,705.64	
ASSETS UNDER LINE EXT	181,757.64	
87/98 - WELL/LINES #4	152,388.95	
UTILITY PLANT	510,128.65	
ACCUMULATED DEPRECIATION	-344,252.30	
TOTAL PROPERTY, PLANT & EQUIPMENT		508,726.58

OTHER ASSETS

LOAN COST - NET OF AMORTIZATION	744.00	
TOTAL OTHER ASSETS		744.00

TOTAL ASSETS **596,061.72**

LIABILITIES and EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	2,623.42	
DUE TO/FROM VRV	0.00	
SALES TAX PAYABLE	0.00	
PROPERTY TAXES PAYABLE	8,959.02	
WELL LEASE PAYABLE-VRV	6,641.05	
INCOME TAXES PAYABLE	-7,225.00	
DEFERRED INCOME TAX PAYABLE	19,829.00	
INTEREST PAYABLE	3,535.49	
TOTAL CURRENT LIABILITIES		34,362.98

LONG TERM LIABILITIES

L CAC - TRAILS WEST WELL #4	181,757.64	
MORTGAGE PAYABLE	36,962.65	
LOAN PAYABLE	152,253.77	
TOTAL LONG TERM LIABILITIES		370,974.06

EQUITY

CAPITAL STOCK	310,702.00	
RETAINED EARNINGS	-156,082.36	
CURRENT YEAR EARNINGS	36,105.04	
TOTAL EQUITY		190,724.68

TOTAL LIABILITIES and EQUITY **596,061.72**

VOYAGER WATER COMPANY
INCOME STATEMENT
July 1, 2001 THROUGH July 31, 2001

	CURRENT MONTH		YEAR TO DATE		VARIANCE OVER (UNDER)	
	ACTUAL	PRIOR YEAR	ACTUAL	PRIOR YEAR	CURRENT	YTD
REVENUES						
SALES - WATER	17,833.25	16,686.55	213,585.22	195,836.35	1,146.70	17,758.87
MISC INCOME	(0.00)	24.78	435.56	1,004.81	-24.78	-569.25
NET REVENUES	17,833.25	16,711.33	214,030.78	196,841.16	1,121.92	17,189.62
OPERATING EXPENSES						
WELL LEASE EXPENSE	492.00	583.10	7,141.05	7,278.76	-91.10	-137.71
BANK CHARGES	(0.00)	(0.00)	145.40	120.00	0.00	25.40
EQUIPMENT RENTAL	566.95	482.08	6,211.25	4,425.16	84.87	1,786.09
CONTRIBUTIONS	(0.00)	(0.00)	(0.00)	(0.00)	0.00	0.00
DUES AND SUBSCRIPTIONS	(0.00)	(0.00)	513.80	181.00	0.00	332.60
INSURANCE EXPENSE	222.33	194.00	2,243.30	1,940.00	28.33	303.30
LICENSES, PERMITS & FEES	400.00	300.00	984.20	2,285.40	100.00	-1,301.20
MAINTENANCE & REPAIRS	60.00	(185.07)	2,107.32	8,681.09	245.07	-6,573.77
MANAGEMENT FEE - W/LAND	5,413.85	4,203.67	46,507.96	37,864.75	1,210.18	8,643.21
MANAGEMENT FEES - WRV STAFF	3,000.00	1,000.00	24,000.00	10,000.00	2,000.00	14,000.00
OFFICE EXPENSE	(0.00)	43.40	861.37	621.22	-43.40	240.15
PROFESSIONAL FEES	(0.00)	47.50	(177.11)	8,258.28	-47.50	-8,435.37
PROF FEES - RATE CS	(0.00)	(0.00)	(0.00)	68.90	0.00	-68.90
PROF FEES - LINE EXT	(0.00)	(0.00)	(0.00)	(0.00)	0.00	0.00
WATER CONSULTING SERVICES	450.00	525.00	3,325.00	4,910.00	-75.00	-1,585.00
BAD DEBT EXPENSE	(0.00)	240.91	(0.00)	806.51	-240.91	-606.51
WATER METER READER EXPENSE	104.12	107.00	659.98	880.50	-2.88	-220.52
SALES TAX EXPENSE	(0.00)	(0.00)	(0.00)	(0.00)	0.00	0.00
PROPERTY TAX EXPENSE	1,279.86	983.35	12,798.60	9,833.50	296.51	2,965.10
WATER SAMPLES/TESTING	75.00	(0.00)	9,925.00	400.00	75.00	9,525.00
UTILITIES EXPENSE	2,298.15	1,708.07	20,851.89	20,674.45	580.08	177.44
TOTAL OPERATING EXPENSES	14,362.26	10,233.01	138,098.61	117,009.50	4,129.25	21,089.31
OTHER INCOME (EXPENSE)						
GAIN/LOSS FROM SALE OF ASSET	(0.00)	(0.00)	(0.00)	(0.00)	0.00	0.00
INTEREST INCOME	(44.78)	(116.94)	(528.65)	(572.21)	72.16	43.56
PURCHASE DISCOUNTS	(0.00)	(0.00)	(0.00)	(0.00)	0.00	0.00
INCOME TAX REFUND - AZ	(3,003.00)	(0.00)	(3,003.00)	(0.00)	-3,003.00	-3,003.00
INTEREST EXPENSE	1,543.82	1,801.62	16,540.28	18,185.36	-257.70	-1,645.08
INCOME TAX EXPENSE - FED	(0.00)	(0.00)	(0.00)	1,000.00	0.00	-1,000.00
INCOME TAX EXPENSE - AZ	(0.00)	(0.00)	(0.00)	50.00	0.00	-50.00
DEPRECIATION EXPENSE	2,661.83	3,304.33	26,818.30	33,043.34	-622.50	-6,225.04
AMORTIZATION EXPENSE	(0.00)	29.75	(0.00)	297.50	-29.75	-297.50
TOTAL OTHER INCOME (EXPENSE)	1,177.97	5,018.75	39,826.93	52,003.99	(3,840.79)	(12,177.06)
NET INCOME (LOSS)	2,283.02	1,458.56	36,105.04	27,827.67	833.46	8,277.37

Exhibit F

ATTACHMENT "D"
WATER USE DATA SHEET

NAME OF COMPANY	Voyager Water Company
ADEQ Public Water System No.	10035

MONTH/YEAR (Last 13 Months)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)
July 2001	253	4,505
June 2001	252	5,616
May 2001	252	8,879
April 2001	251	9,320
March 2001	235	6,845
February 2001	208	5,899
January 2001	205	6,063
December 2000	202	5,912
November 2000	202	5,295
October 2000	197	4,462
September 2000	193	5,211
August 2000	193	4,890
July 2000	190	4,260

STORAGE TANK CAPACITY (Gallons)	NUMBER OF EACH	ARIZONA DEPT. OF WATER RESOURCES WELL I.D. NUMBER	WELL PRODUCTION (Gallons per Minute)
200,000	2	55-606051	200 gpm
		55-508553	800 gpm
		55-563268	950 gpm

Other Water Sources in Gallons per Minute	GPM N/A
Fire Hydrants on System	<input checked="" type="radio"/> Yes <input type="radio"/> No
Total Water Pumped Last 13 Months (Gallons in Thousands)	78,156